

Historic, Archive Document

Do not assume content reflects current
scientific knowledge, policies, or practices.

Spotlight

ON FOREIGN MARKETING

A280.39
F765



TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

Vol. 1, No. 7

May 31, 1957

PROCESSED RICE SOLD IN SINGAPORE. An initial sale of U. S. processed rice has been made in Singapore as a direct result of a special exhibit developed by Glenn A. Ruggles, Agricultural Attache at that post. Through an item in a Rice Association bulletin, U. S. manufacturers of processed rice were invited to send samples. Three companies responded, resulting in a sizable sale for one of the exhibitors. The exhibit was held in a window loaned by the U. S. I. S. Library. This story is not only an excellent showing of initiative on the part of the Agricultural Attache, but an example of cooperation on the part of another U. S. agency in helping to develop new markets for U. S. Agricultural products.

VENEZUELA BUYS 500 HEAD OF BRANGUS CATTLE THROUGH U. S. BREEDER ASSOCIATION. Arrangements for the sale of beef cattle were made through the cooperation of the Venezuela Attache office, FAS Livestock Division, and the American Brangus Breeders Association of Vinita, Oklahoma. Cattle was purchased from farms and ranches in Virginia, Oklahoma, Ohio, Texas, Mississippi, and Missouri. Average prices, f.o.b. farm or ranch, were: 2-year-old bulls- \$400; 2-year-old heifers-\$325; yearling heifers-\$275; and yearling bulls-\$350. All of these cattle were shipped to Venezuela by air. Interested buyers in other countries can buy similar cattle through the association named above.

ACCEPTABLE FLUE-CURED TOBACCO VARIETIES TO BE IDENTIFIED AT TIME OF SALE. USDA action strengthens its decision to rigidly enforce its 50-percent price support discount on undesirable varieties announced in SPOTLIGHT, 2/8/57. The undesirable varieties are Coker 139, 140, and Dixie Bright 244.

Identification will be made on auction warehouse floors at the time of sale. It will apply both to producer sales and to resales by dealers and warehousemen. The plan will help increase the confidence of buyers.

Standard varieties of U. S. flue-cured tobacco have attained a world-wide reputation for flavor, body and aroma. The labeling of these desirable tobaccos will go far in helping to maintain confidence in U. S. tobacco in foreign markets. It will tend, also, to maintain and expand world markets, which have been jeopardized because of the production in this country in recent years of undesirable pale and slick tobacco.

JAPAN HAS QUADRUPLED ANIMAL FEED IMPORTS IN RECENT YEARS.

Japan's animal feed imports during Japanese fiscal year 1956-57 (April-March) are estimated to reach 419,000 metric tons. This will represent over a four-fold increase since 1951-52 and will be at approximately the same level as the previous two years.

The share of these imports coming from the U. S. has increased from about 50,000 metric tons in 1951-52 to over 180,000 metric tons a year beginning with 1953-54. Japan's animal feed import program for Japanese fiscal year 1957-58 provides for a further slight increase over the present level.

Increase in poultry and cattle population in Japan from prewar to present:

Hens--1939---	26.2 million	Cattle--1940---	1.8 million
1955---	35.3 million	1957---	3.5 million (estimated)

U. S. COTTON SUPERIOR TO FOREIGN GROWTHS. The superiority of U. S. upland cotton from the 1955 crop over similar classifications of four competitive foreign growths in over 73 percent of the spinning tests made is shown in FAS report M-14, just released. Fiber and spinning test results of the numerous properties which make up spinning utility, or actual market value of cotton, showed that U. S. cotton has higher over-all quality index ratings than Brazilian, Mexican, Pakistani, and Turkish cottons of the same grade and staple length in 11 of 15 comparisons. The report also describes an original evaluation method which takes into account all of the important measurable properties of raw cotton and appraises each property in proportion to the contribution it makes to the spinning value of cotton.

USDA ANNOUNCES TOBACCO STOCKS AS OF APRIL 1, 1957 - Leaf tobacco stocks in the U. S. and Puerto Rico totaled 5,212 million lbs. (farm-sales weight) as of April 1, 1957, based on quarterly reports of dealers and manufacturers. This is increase of 182 million lbs. compared with a year earlier. The 1956 crop of about 2,230 million lbs. was in stocks as of April 1 with exception of around 55 million lbs. consisting of Maryland and Puerto Rican types. Flue-cured stocks up 10% for the most significant increase.

ADDITIONAL PRICING DETAILS FOR SALES OF SOYBEANS. The minimum sales price of CCC-owned soybeans will be the market price but not less than the 1956 loan rate for Grade No. 2, plus 5 cents per bushel, plus 1-1/2 cents per bushel during June. An additional charge will be made for freight and handling.

Soybeans purchased under this program may be used for export or for domestic extraction. There will be no special export program. This sales program will continue until October 1, 1957 when a reappraisal of the soybean situation will be made.

U. S. RAISINS MEET A SPECIAL PREFERENCE BY BAKERS because of their quality and adaptability to bakery machinery. Solely for this reason, some U. S. raisins have gained entry into restricted markets. This selling point may be applied in all countries where raisins are sold for baking purposes.

CCC SALES PROGRAM ACTIVITIES FOR RICE, DRY EDIBLE BEANS AND FLAXSEED. On May 21 it was announced that 1956 crop of CCC-owned milled rice in Southern States will be offered for export sale on a competitive bid basis. Milled rice of grades No. 3, 4 and 5 (mostly grade No. 4) will be offered for export sale as it becomes available beginning in late June. CCC expects to sell at least 1,200,000 cwt. of Southern milled rice for dollar export over a period of time at prices that will not disrupt world markets. The balance of CCC's inventory--about 8,800,000 cwt. milled basis--is expected to be sold or disposed of under PL 480 and domestic donation programs.

The export sale of 1,128,000 cwt. of the 1956 crop of Michigan pea beans for commercial export was announced on May 17. Also 430,000 cwt. were donated for use in foreign and domestic outlets. The remaining inventory of about 98,000 cwt. to be sold for export before June 1 or donated before that date. In addition, bids will be received on May 27 on CCC's first offering of 152,000 cwt. of great northern, 30,000 cwt. of small red and 11,000 cwt. of baby lima beans for commercial export. Offerings will be made weekly.

Export program details announced on May 10, providing for competitive bids, delivery at Northern terminals, exportation of equivalent flaxseed of linseed oil after May 10 and not later than 80 days after sale. The buyer is not required to export linseed meal. As of May 28 CCC had made sales of No. 1 flaxseed under this program totaling 380,000 bushels at from \$2.54 to \$2.54 1/8 per bushel f.o.b. Minneapolis-Duluth.

EGYPT ANNOUNCES NEW COTTON POLICY FOR 1957-58 CROP. The Government of Egypt announced May 16, 1957, the following provisions which will be effective for the new, 1957-58 cotton crop: (1). Futures trading in new crop months was begun May 18; (2). Guaranteed prices to growers for the 1957-58 crop will be the same as those established last year:

Variety	Tallaris per Kantar	Cents per Pound
Karnak, G/FG	69	39.77
Menoufi, G/FG	64	36.89
Giza 30, Good	59	34.01
Menoufi, Good	55	31.70

(3). A 10 percent discount will be allowed against shipments during September/October 1957, if payment is made either in dollars or Swiss francs, irrespective of destination; (4). Up to 25 percent of cotton exports to the United States can be sold under barter arrangement for exports of other commodities into Egypt; (5). The cotton export tax for the new crop will be increased as follows:

Variety	Tallaris per kanter		Cents per pound	
	Old crop	New crop	Old crop	New crop
Karnak/Menoufi	8	12	4.61	6.92
Other varieties	2	6	1.15	3.46

The present policy of price discounts on cotton exports from the 1956-57 crop (Foreign Crops and Markets, April 8, 1957) will be continued.

GUIDE TO CURRENT PRICES OF U. S. AGRICULTURAL PRODUCTS

Commodity	Unit	Grade, type or Variety	Location	Latest Price of week of 5/24/57	Price Year Earlier
Cotton*	Gr.Lb.	Midd. 1"	Hstn.-Gal.N.O.	\$.3400	\$.3508 ^{3/}
Wheat* <u>1/</u>	Bushel	#2 H. W.	Galveston	2.39-2.44	2.34-2.39
"	"	#1 S. W.	Portland	2.58	2.18-2.25
"	"	#2 S. R. W.	Baltimore	2.28	2.32
Rice*	100#	Milled Zen. #2	New Orleans	9.00-9.25	8.50-9.00
Barley*	Bushel	#2 Malting	Minneapolis	1.10-1.38	1.26-1.38
"	"	#3 Feed	Minneapolis	.96-1.08	.97-1.07
"	"	#2 Western	San Francisco	1.13-1.14	1.14-1.15
Corn*	"	#2 Yellow	Chicago	1.36	1.56
Grain Sorghum	100#	#2 Yellow Milo	Ft. Worth	2.20-2.25	2.39-2.44
Beans	100#	#1 Gr. Northern	Idaho Points	6.85-6.95	6.70-6.75
Cottonseed Oil	Pound	B.P.S.Y.	July Fut.N.Y.	.1510	.1743
Soybean Oil	"	Refined	New York	.1400	.1762
Cottonseed Oil	"	Crude	Valley	.1262	.1500
Soybean Oil	"	Crude	Decatur, Ill.	.1150-.1162	.1475
Linseed Oil	"	Raw	Minneapolis	.1250	.1560
Flaxseed	Bushel	#1	Minneapolis	3.15	3.85
Soybeans	"	#1	Chicago	2.35	3.19
Lard	Pound	Refined 50# tin	Chicago	.1300	.1300
Tallow	"	Prime Inedible	Chicago-FOB	.07125	.0700
Greases	"	Choice White	" "	.0925	.0775
Cottonseed Meal	Sh.Tn.	41% Bagged	Memphis	51.00	55.00
Soybean Meal	Sh.Tn.	44% Bagged	Decatur <u>2/</u>	49.50	66.00
Butter*	Pound	Gr. A 92 score	Chicago	.5925-.5950	.59-.5925
Cheese*	"	Cheddar	Wis.Prim.Mkts.	.3412-.36	.3650-.3750
*Milk, N.F.D.S. <u>4/</u>	"	Sp. Proc.	Chicago	.1475-.1685	.15-.1685
" , Evap.	Case	48-14 1/2 oz.	Pac.Cst.Mkts.	5.95-6.45	5.80-6.30
Eggs, shell	Doz.Med.	Mixed colors	New York	.24-.2450	.37-.3750
" , dried	Pound	Whole	New York	.98-1.04	1.24-1.32
Beef Trimmings	"	75-85% lean froz.	Chicago	.3150	.2000
Beef Hearts	"	Regular Frozen	"	.1700	.1050
Beef Livers	"	" "	"	.2200	.1450
Pork Trimmings	"	" "	"	.1700	.1100
Chicken	"	Gr. A Hen R.C.	New York	.30-.31	.42-.44
Turkey	"	Gr. A Tom R.C.	" "	.395-.40	.59-.6350
<u>5/</u>					
Canned Apricots	Doz. #2 1/2	Choice Halves	FOB-Calif.	3.15	2.90
" Peaches	" " "	" "	" "	2.725-2.825	2.85-2.90
" Pears	" " "	" "	" "	3.50	3.50
Grapefruit Secs.	Doz. #303	Fancy, Li.syrup	FOB-Florida	1.60	1.45
Orange Juice	Doz. 46 oz.	Sweetened	" "	2.45	2.80
Oranges, Fresh	Std. Ctn.	Size 144	FOB-Calif.	NA	NA
Oranges, Fresh-FLA	13/5bu.bx.	All except temple	10 markets <u>6/</u>	3.92	4.98
Lemons, Fresh	Std.Ctn.		FOB-Calif.	3.05	2.56
Raisins	Lb.Bulk	Natl. Thompson	FAS-Calif.	.1275-.13	.115
Prunes	Pound	80-90	" "	.975-.115	.12-.125

<u>1/</u> I. W. A. export payment allowances for CCC wheat sold for export under GR-261 and GR-262 shown below relate to hard wheat:				Current Week	Year	Earlier
Gulf Coast to all destinations except Latin America ..	Hd. Win.			.53		.67
Gulf Coast to Latin America and West Indies.....	Hd. Win.			.50		.64
East Coast.....	Northern Spring	.79	Other	.68		.74
Pacific Coast.....	All			.87		.66

2/ Unrestricted billing basis. 3/ Middling 15/16". 4/ Week of 5/24/57

5/ Quotations for fruit are for domestic sales; export sizes and varieties probably lower.

6/ Weight average auction prices, 10 terminal (northern) markets.

* See also Estimated CCC Port Prices attached to this issue.

MARKETING NOTES - U. S. WHEATS

Superior Quality. The United States produces every kind of wheat recognized as an international commodity by the world wheat trade. These U. S. wheats are usually available in significant quantities for export, and since they are grown under a variety of geographical and climatic conditions, wheats capable of meeting the quality requirements of specific uses in the importing countries are likewise available.

Advantages of U. S. Wheat. (1) Highest quality wheats are normally available at all times in cargo lots. (2) United States wheats for export are available with inspection and certification as to grade and class, in accordance with the Official Grain Standards of the United States, at the time of loading the vessel. (3) Wheat of one or more market classes is usually in position for export and prompt loading at Atlantic, Gulf, and Pacific ports.

Prices. Export prices for U. S. wheats are competitive on a price and quality basis with the prices of other exporting countries. The United States, as a signatory to the International Wheat Agreement, has an important interest in maintaining a normal trade in wheat at reasonable prices.

Financing Export Sales. Sales for dollars are the preferred basis for selling wheat, which is also a requirement for sales under the International Wheat Agreement. Other methods of financing, however, are also available to foreign importers and governments.

- (1) Export-import bank loans.
- (2) CCC may, under exceptional circumstances, offer parcels of wheat of specified grades and market classes for export on a competitive bid basis.
- (3) Public Law 480. Wheat is available for export under Title I sales for foreign currency and for barter under Title III. This availability usually applies to all market classes of wheat except durum wheat, which has been in short supply in the United States and is not yet considered as a "surplus" commodity. Under special circumstances, the supplies of certain other market classes of wheat may not permit considering them for Title I programs.
- (4) Section 402 of Public Law 665. Wheat other than durum may be exported under the provisions of this Act, subject to available supplies of the market class desire.

While the selling points above are applicable to wheat, attention should also be directed to the export availability of wheat flour and other wheat products for human food.

- (1) The United States exporters can provide large quantities of wheat flour in a variety of grades and specifications for the several uses of industries using wheat flour as a raw material. The decision as to grade

and quality is arrived at between buyer and seller on the basis of the particular use for which the flour is required. Such export flours must meet either the statutory requirements relating to quality and wholesomeness applicable to interstate commerce in the United States, or the quality regulations of the country of destination when such regulations are less stringent than those of the United States.

- (2) In general, wheat flour is available under the same export programs and similar conditions of sale which relate to exports of wheat. (Publications relating to the above programs, and specific "Terms and conditions of Sales" have been transmitted to the Attaches. Additional copies and other information are available.)

USES OF WHEAT FOR SELLING POINTS

The grain standards provide for six market classes of wheat, each of which has particular value for the production of specific types of consumable products. For example, Class II Durum wheat is particularly well suited for the production of flour for the macaroni and spaghetti industries, but it is not a desirable bread wheat when light or fluffy bread types are desired. On the other hand, Class I, Hard Red Spring wheat and Class IV, Hard Red Winter wheat, are the important wheats for the production of bread. Class V, Soft Red Winter wheat, is useful in the production of flour for home baking, certain cracker and biscuit flours and to some extent for cake and pastry flours, while Class VI, White wheat, is mostly important for its utility in producing flours for the pastry and cracker industries. It should, however, also be recognized that the wheats of Classes V and VI are often used in blends with the strong high protein bread wheats of Classes I and IV for production of bread flours. To a certain extent, therefore, the market class of wheat indicates the type of product for which the wheat is best suited. Within a particular market class, some factors not reflected in the standards play an equally important role in evaluating the utility of a particular parcel of wheat. The quantity and quality of protein, for example, determine the usefulness of a particular lot of Hard Red Winter or Hard Red spring wheat for the production of satisfactory bread flours. In general, a higher protein content would be associated with better bread making potentials, although a number of other tests for baking quality in addition to the protein test are also used by the flour milling-bakery industries. On the other hand, a lower protein content is generally preferable for the production of cake and pastry flours.

Grain Division, FAS
May, 1957